A Regular Meeting of the Board of Utilities Commissioners of the City of La Junta, Colorado, was called to order by Chairman Lorenz Sutherland on Tuesday, February 12, 2019, at 4:00 p.m. in the Power Board Room of the Municipal Building.

Roll was called and the following Board Members were present:

Present: Mike Bourget, Commissioner
       Jim Goodwin, Commissioner
       Frank McKenzie, Vice-Chairman
       Jeffri Pruyn, Mayor
       P. Lorenz Sutherland, Chairman

Absent: none

Also present: Rick Klein, City Manager
       Bill Jackson, Asst. City Manager
       Phil Malouff Jr, City Attorney
       Melanie Scofield, City Clerk
       Reuben DeLeon, Electric Superintendent
       Darren Adame, Director of Engineering
       Elaine McIntyre, Council Member
       Gary Cranson, ARPA Representative
       Kathy DelRio, La Junta
       Bette McFarren, Tribune Democrat

MINUTES OF PREVIOUS MEETING
Chairman Sutherland asked if there were any corrections to the minutes of the Regular Meeting of January 8, 2019. Hearing none, he declared the minutes approved as published.

CITIZEN PARTICIPATION
1. There was no citizen participation.

REPORTS
A. ARPA Board. Gary Cranson gave the following report:
   1. Financial Reports
   - Revenues for 2018 were better than budgeted and expenses were less than budgeted.
   - Revenues from Power Sales are better than budget by $1,939,988 (7%).
   - Total COGS are over budget by $370,873 (2.3%).
   - Total A & G Expenses YTD are under budget by $622,301.
   - Net Revenues NOT Including Extraordinary Income and Expenses YTD are $4,977,208.
   - Operating Debt Service Coverage Year to Date is 1.37X.
   - Member energy sales 2018 YTD are 3.5% better than 2017
   - Member energy sales are about 7.2% better than budget YTD
   - All in Power Cost to members for December 2018 was $0.1025 per kWh
   - December energy supplied primarily by TWIN EAGLE and WAPA:
     TWIN EAGLE 66% $52.30 per mWh
     WAPA 28% $31.35 per mWh
     Coveland Area (LAP) $31.35 per mWh
     CO River Storage (CRSP) $29.60 per mWh
     Wind 6% $36.60 per mWh

Subject to approval at the March 12, 2019 City Council Meeting
• Blended rate for December of $46.98 per mWh (budget $54.57)
• Blended rate is $0.70 per mWh lower in 2018 compared to the 2017 rate of $47.68.
• Twelve-month average energy rate of $46.40 per mWh
• Note: Base energy rate for wholesale power sales to member cities for 2019 was reduced by 2 percent in December 2018 board action.

2. General Manager Report
• WAPA, at its annual customer meeting, announced it expects to have excess hydro power from its Loveland Area Projects in 2019. The ARPA Operating Committee is forming a crew to assist with site construction for APPA's LineWorker's Rodeo which will be held in Colorado Springs on March 29-30. ARPA will pay out of pocket expenses for the crew with funding from the Member Services training budget.
• Board directed to instruct negotiators to proceed with negotiations concerning the purchase of the LRP per the discussion in Executive Session.
• The Board approved waiver by Twin Eagle Resource Management of certain provisions of the Partial [power supply] Requirements Agreement (PRA). The Public Utilities Commission (PUC) and the Federal Energy Regulatory Commission (FERC) must grant approval to PSCo to enter into this transaction. It is estimated this process could take up to 90-days.
• The Board received a copy of the Consent and Assignment Agreement which effectively assigns ARPA’s Partial Requirements Agreement to Public Service Company of Colorado (PSCo). The PUC and FERC must grant approval to PSCo to enter into this transaction. This process could take up to 90-days.
• Following discussion, Board Members Sutherl and Hourieh representing the City of Lamar withdrew the Resolution for consideration. Board moved and approved unanimously, to authorize the General Manager and General Counsel to continue pursuing negotiations and communications with Tri-State; provided, however, that such persons are authorized to disclose each Member’s position or inclination with respect to the Tri-State proposal consistent with the principles of good faith and fair dealing, and to consider the Tri-State proposal in conjunction with proposals received through the RFP.

B. Water & Wastewater Treatment.  Rick Klein gave the following report in Tom’s absence:

1. R.O. Plant
• Replaced cartridge filters.
• Repair and parts replacement on chlorine system and pumps, scale inhibitor valve, and chemical room safety shower.
• Changed oil and grease on finished water and RO pump motors.
• Trouble-shooting new SCADA radio.

2. Distribution
• Repaired two service leaks on Hwy 50.
• Installed crane bed on new truck cab/chassis.
• Completed service and fire line install for Primary School.
• Installing new radio read meters.
• Equipment maintenance.

3. Wastewater
• Jetter truck was in for electrical repairs.
• Recirculation pump in digester building down for repairs multiple times. Most recent repair is holding. Hoping no further repair or replacement is needed since it is an apparatus that will no longer be used when new plant comes on line.
• Treated 29.35 million gallons. Removed 30 ft³ of screenings and 26 ft³ of grit.
• Jetted 9,094 feet of main in connection to seven emergency calls and monthly jetting of known trouble areas.
• New plant rated at 84% complete.
4. All Departments
   • Safety meeting for winter driving.
   • Training with the Colorado Rural Water circuit rider held at water department.
   • Several employees attended training at the CRWA offices in Pueblo West for certification renewal and exam preparation.

C. Power Distribution. Reuben DeLeon gave the following report:
   1. Line Crew
      • Continues to read electric meters as needed and will do so until all meters have been replaced with the new radio read meters as soon as they arrive.
      • Replaced a pole at 2821 San Juan Avenue that was hit by a truck. The pole was hit and the driver ran and could not be found. The power pole has been reset and is operational.
      • Replaced four steel street light poles on West 3rd Street and set four aluminum poles in their place as we close in on finishing up pole replacement along the Third Street Project.
      • Set two new 1500 kva transformers at the new Lewis Bolt and Nut building in New Addition and also pulled in the primary wire and terminated the conductors at that site. The primary wire was tested and confirmed good; however, a week later one of the terminators failed and had to be replaced.
      • Replaced a pole at 1st and Lacey that was hit by a car which was also a hit and run. The pole is up and in operation.

C. Power Plant. Bill Jackson gave the following report:
   1. Below is a DRAFT schedule for completion of the engineering design package for the Critical Infrastructure (Phase 2) Distributed Generator project.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb. 22</td>
<td>Complete design package to &quot;90%&quot; level.</td>
</tr>
<tr>
<td>Feb. 25 - Mar. 1</td>
<td>Internal HDR QC review.</td>
</tr>
<tr>
<td>Mar. 4 - 8</td>
<td>HDR address QC review notes and comments.</td>
</tr>
<tr>
<td>Mar. 11</td>
<td>HDR transmits 90% set to La Junta for review/comment.</td>
</tr>
<tr>
<td>Mar. 11 - 22</td>
<td>La Junta review of the design package. La Junta prepare bidding/contract documents.</td>
</tr>
<tr>
<td>Week of Mar. 25</td>
<td>HDR meets with La Junta to review design package and coordinate with bidding/contracting documents. (one day this week selected jointly).</td>
</tr>
<tr>
<td>Apr. 1 - 5</td>
<td>HDR address La Junta notes and comments on design.</td>
</tr>
<tr>
<td>Week of Apr. 8</td>
<td>HDR transmit complete bid package to La Junta. La Junta completes bidding document package.</td>
</tr>
<tr>
<td>Week of Apr. 15</td>
<td>La Junta advertises for construction bids.</td>
</tr>
</tbody>
</table>

Schedule for award of construction contract and project construction schedule TBD.
D. **Sanitation.** Darren Adame gave the following report:

1. December report.

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<th></th>
<th>January 2019</th>
<th>2018</th>
<th>Over/Under</th>
<th>Month</th>
<th>2019</th>
<th>2018</th>
<th>Year</th>
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<td>1</td>
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<td>(4)</td>
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<td>2</td>
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<tr>
<td>New 20 Yd Box</td>
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<td>(2)</td>
<td>1</td>
<td>3</td>
<td>(2)</td>
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<tr>
<td>40 Yd Box Service</td>
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<td>17</td>
<td>14</td>
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<tr>
<td>20 Yd Box Service</td>
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<td>(7)</td>
<td>8</td>
<td>15</td>
<td>(7)</td>
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</table>

**NEW BUSINESS**

A. **City Manager’s Comments.**

1. We’re having big changes with our 1st Street: plan designs on the new Sonic, Love’s, Wal-Mart and McDonalds.
2. After the CTO Craft Program it was decided to no longer go with billboards but to hit social media harder.
3. The asbestos of the old A&W is being taken to Midway and the rest of the materials are going to our landfill.

B. **City Attorney’s Comments.**

1. Always a privilege.

C. **Governing Body's Comments.**

1. ARPA Representative Cranson: The next ARPA webcast will be February 21st at 9:00 a.m.

There being no further business, the meeting adjourned at 4:42 p.m.

CITY OF LA JUNTA

ATTEST: P. Lorenz Sutherland, Chairman

Melanie R. Scofield, City Clerk